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BEFORE THE ARIZONA CORPORATION
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GARY PIERCE - Chairman
BOB STUMP
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AZ CORP COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF
ARIZONA PUBLIC SERVICE COMPANY FOR
A HEARING TO DETERMINE THE FAIR
VALUE OF THE UTILITY PROPERTY OF THE
COMPANY FOR RATEMAKING PURPOSES,
TO FIX A JUST AND REASONABLE RATE OF
RETURN THEREON, TO APPROVE RATE
SCHEDULES DESIGNED TO DEVELOP SUCH
RETURN

DOCKET NO. E-01345A-11-0224

NOTICE OF FILING TESTIMONY
OF TOM FARLEY IN SUPPORT OF
PROPOSED SETTLEMENT
AGREEMENT

Attached hereto for filing in the above-captioned docket is the Pre-Filed Testimony of
Tom Farley in Support of Proposed Settlement Agreement.

RESPECTFULLY submitted this 18th day of January, 2012.

Arizona Corporation Commission

DOCKETED

JAN 18 2012

DOCKETED BY

BROWNSTEIN HYATT FARBER SCHRECK LLP

Jeffrey W. Crockett, Esq.

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ORIGINAL and thirteen (13) copies filed
this 18th day of January, 2012, with:

Docket Control
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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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IN THE MATTER OF THE APPLICATION OF
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DOCKET NO. E-01345A-11-0224

**PRE-FILED TESTIMONY OF TOM FARLEY
IN SUPPORT OF PROPOSED SETTLEMENT AGREEMENT**

January 18, 2012

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Tom Farley. My business address is 255 E. Osborn Road, Suite 200, Phoenix,
3 Arizona 85012.

4 **Q. WHERE ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

5 A. I have been employed by the Arizona Association of Realtors since 1998, and have served
6 as its Chief Executive Officer since 2008.

7 **Q. HAVE YOU PREVIOUSLY FILED TESTIMONY IN THIS CASE?**

8 A. Yes. I filed testimony on November 18, 2011.

9 **Q. WHAT IS THE ARIZONA ASSOCIATION OF REALTORS?**

10 A. The Arizona Association of Realtors ("Association") is the largest trade association in
11 Arizona, representing approximately 43,000 Arizona realtors belonging to 21 local
12 associations. The Association provides benefits and services to its members who are
13 active real estate licensees from all areas of real estate, including residential, commercial,
14 property management, land, appraisal and relocation. A large number of the members of
15 the Association are residential and/or commercial retail electric customers of Arizona
16 Public Service Company ("APS" or the "Utility"). They own real property and are
17 engaged in the business of representing buyers and sellers of real property in Arizona.

18 **Q. WHY DID THE ASSOCIATION INTERVENE IN THIS RATE CASE?**

19 A. The Association intervened¹ in this rate case because of the interest of its members in the
20 line extension policies of APS, and specifically, the Utility's Service Schedule 3
21 (*Conditions Governing Extensions of Electric Distribution Lines and Service*). The
22 Arizona Corporation Commission ("Commission") approved version 12 of Service
23 Schedule 3 in Decision 72684 (November 18, 2011) in Docket E-01345A-11-0207.
24 Pursuant to that decision, Service Schedule 3, version 12, will become effective
25 concurrently with the effective date of new base electric rates approved in this rate case.
26 The Association supports Service Schedule 3, version 12.

27
28 ¹ The Association filed an Application for Leave to Intervene in the rate case on July 15, 2011,
and intervention was granted by the Commission at the procedural conference held July 18, 2011.

1 **Q. WHAT IS THE PURPOSE OF YOUR PRE-FILED TESTIMONY TODAY?**
2 A. I am filing this testimony in support of the Proposed Settlement Agreement that was filed
3 with the Commission on January 6, 2012.
4 **Q. DID THE ASSOCIATION PARTICIPATE IN THE NEGOTIATIONS THAT**
5 **PRODUCED THE PROPOSED SETTLEMENT AGREEMENT?**
6 A. Yes. Through its legal counsel, the Association participated in a substantial portion of the
7 settlement meetings and negotiations.
8 **Q. DOES THE ASSOCIATION SUPPORT THE PROPOSED SETTLEMENT**
9 **AGREEMENT?**
10 A. Yes. Section XV of the Proposed Settlement Agreement specifically addresses the
11 Association's concerns, stating that "Version 12 of Service Schedule 3, as approved in
12 Decision No. 72684 (November 18, 2011), shall become effective on the date that rates
13 from this case become effective." Based upon the inclusion of Section XV, the
14 Association signed the Proposed Settlement Agreement.
15 **Q. DOES THE ASSOCIATION RECOMMEND THAT THE COMMISSION**
16 **APPROVE THE PROPOSED SETTLEMENT AGREEMENT?**
17 A. Yes. I believe the Proposed Settlement Agreement represents a just and reasonable
18 outcome for APS customers, the Association, and other stakeholders in the case.
19 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**
20 A. Yes.
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